

United States Senate

WASHINGTON, DC 20510

October 23, 2003

President George W. Bush
The White House
1600 Pennsylvania Ave.
Washington, DC 20501

Dear Mr. President:

The conference on the Medicare prescription drug bill is reaching a critical stage. With time running out on this session of Congress, prompt action to achieve a bipartisan compromise is essential. A conference report that guarantees more affordable prescription drugs to all senior citizens and protects Medicare's basic commitments to the elderly will receive strong bipartisan support. A partisan conference report that jeopardizes Medicare and does not provide meaningful assistance to the elderly and disabled should not and will not pass. We urge you to provide the leadership necessary to achieve a bipartisan bill that can become law.

There are a number of critical outstanding issues before the conference that must be resolved for the legislation to merit bipartisan support.

The bill must preserve a level playing field between conventional Medicare and HMOs and other private plans. Senior citizens deserve a real choice, not a false choice that unfairly enriches private plans at the expense of Medicare. A restructuring of Medicare that could raise the premiums of the elderly and coerce them to join HMOs, PPOs, or other private insurance plans is unacceptable.

The drug benefit provided under the program must be a universal benefit. No senior should be left out because of where they live. There must be a guarantee comparable to that in the Senate bill that a Medicare prescription drug plan will be available in any area of the country where private risk-based drug plans are unwilling or unable to provide the drug benefit. In addition, there must be protections against price gouging, risk selection, and other abuses.

The conference report must provide substantial additional assistance to prevent employment-based retirement health plans from dropping their current drug coverage. CBO has estimated that the discriminatory treatment of these plans under the House and

Senate bills could cause as many as four million senior citizens to lose the good private coverage they now enjoy. This is unacceptable.

The legislation should help all seniors, but must give particular priority to low-income Medicare recipients. The Medicare drug benefit must be available to all Medicare beneficiaries and must not exclude the poorest senior citizens. We also believe that one of the most attractive elements of the Senate-passed bill is that its drug benefit provides low premiums, low copays, and a relaxed or eliminated assets test for about 40 percent of all Medicare recipients. The conference report must maintain this priority.

The conference report must encourage innovative approaches to constraining Medicare prescription drug costs, to keep senior citizens' premiums and co-payments as affordable as possible, including strong provisions to assure the prompt availability of generic competitors to brand name drugs.

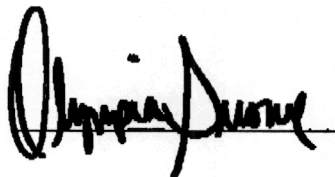
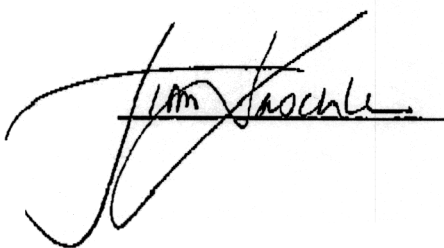
The conference report must not impose caps or other arbitrary limits on Medicare spending. Neither the House nor Senate Medicare bill proposes such changes. Medicare is an entitlement that senior citizens have earned, and this legislation should not change that fundamental commitment.

Finally, the conference report should not include controversial tax provisions that have nothing to do with Medicare. In particular, we oppose as unwise policy the addition of health savings accounts and other provisions unrelated to the prescription drug benefit to the bill. If additional resources are available, those funds should be used to close the gaps in the Medicare prescription drug benefit.

We are ready and eager to work with you to provide senior citizens the help they need. If the conference report does not address the issues discussed above, we will be unable to support it. Only a genuinely bipartisan effort can achieve the goal of strengthening Medicare and providing a Medicare prescription drug benefit.

Sincerely,

cc: The Honorable Charles E. Grassley, Chairman, Senate Committee on Finance
The Honorable Max Baucus, Ranking Member, Senate Committee on Finance



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